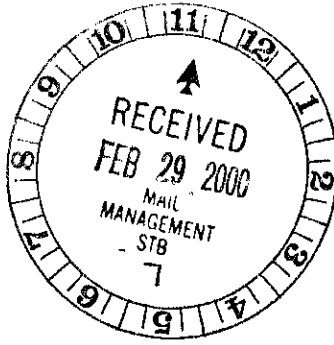


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Fraser Papers Inc.  
70 Seaview Avenue  
Stamford CT 06902  
203 705 2340 Tel  
203 705 2332 Fax



February 22, 2000

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
Office of the Secretary  
Case Control Unit  
Attn: STB Ex Parte No. 582  
1925 K Street, N.W.  
Washington, DC 20423-0001

ENTERED  
Office of the Secretary

FEB 29 2000

Part of  
Public Record

Dear Sir:

Fraser Papers Inc is an integrated forest products company and a leading producer of highly specialized paper grades. We operate manufacturing and/or converting facilities in Canada and the United States. We ship in excess of 760,000 tons of papers products annually with a freight cost of approximately \$30 million. Our Madawaska, Maine mill ships significant quantities of paper outbound by rail. Approximately 65%, or 286,000 tons, of the 444,000 tons shipped annually moves by rail and the majority of this (85%) use a CN route.

The purpose of this letter is to comment on the issues to be discussed on March 8, 2000 in Ex Parte 582.

We encourage the Surface Transportation Board to focus on whether the proposed CN-BNSF combination is good for shippers. It should be judged on its merits and if other carriers propose mergers, then these cases ought to be evaluated on their merits. The timing of the proposed CN-BNSF combination is not the central issue to Fraser Papers. Our concern is service and recent rail mergers have failed on service and not because of timing. Accordingly, the Surface Transportation Board should focus on ensuring that the CN-BNSF combination, and any other future mergers, will deliver service. The Surface Transportation Board has a comprehensive process to evaluate railroad transactions and protect the public interest. It should fairly evaluate the CN-BNSF combination according to that process.

Sincerely,

Austin S. Durant  
Vice President, Materials Management